



## **MICHIGAN CLEAN AIR COMPLIANCE ADVISORY PANEL (CAP) MEETING MINUTES March 6, 2007**

**Attendees:** Dennis Armbruster, Assistant Division Chief, Air Quality Division (AQD), MDEQ  
Amy Butler, Chief, ESSD, MDEQ  
Barry Cargill, President, B. Cargill Associates, LLC  
Donna Davis, Environmental Compliance Assistance Program, ESSD, MDEQ  
Dave Fiedler, Environmental Compliance Assistance Program, ESSD, MDEQ  
Betty Gajewski, General Public CAP member  
Marcia Horan, ESSD, MDEQ  
Dr. Ginnie Jones, SSJ, General Public CAP member  
Jim Ostrowski, ESSD, MDEQ  
Sue Pemberton, Lansing Board of Water and Light  
Judy Schaefer, Environmental Compliance Assistance Program, ESSD, MDEQ  
Brian Warner, Wolverine Power Cooperative  
Anita Welch, ESSD, MDEQ  
Bruce Wigginton, Mason Auto Body Repair

### **Welcome, Introductions & Review of Today's Agenda – Barry Cargill**

### **Approval of the Meeting Minutes – Barry Cargill**

Bruce Wigginton called for a motion to approve the 12/6/06 minutes. The motion was seconded by Dennis Armbruster. The motion was unanimously approved. The approved minutes from the 12/6/06 meeting will now be posted to the CAP's web site.

### **Air Quality Rules and Program Update – Dennis Armbruster**

#### **AQD Rules**

The emission trading program rules (package 2007-005 EQ) are in the process of being rescinded as Mr. Armbruster indicated that there was not much overall interest in the program. There will be public comment taken on the rule rescission, and a work group has been formed to determine why there is a lack of interest in the emission trading program. Mr. Armbruster indicated the emissions trading program is unfunded by the legislature, and that only 2 credits have been generated and purchased in the last year.

Although the Consumers' Product Rule became effective in January 29, 2007, there are changes underway nationally by the Ozone Transport Commission (OTC) to update their model rule. A change by the OTC means that Michigan will have to go back through its own rulemaking process to update the recently promulgated Consumers' Product Rule since Michigan's rule adopts whatever the OTC model rule is in its entirety.

Anita Welch has developed a draft FAQ for companies trying to determine if they are applicable to the new rule. Mr. Cargill asked how compliance with the rule is going to be achieved and Ms. Welch responded that distributors were putting labels on their products to indicate that the product was in compliance with the rule. Ms. Welch also indicated that the draft FAQ document will soon be ready and will be published on the MDEQ's web site.

#### Non-attainment Status

The technical staff of the U.S. EPA has supported a request from the MDEQ to redesignate 11 counties to attainment with the ozone standard, and five additional counties, currently listed as nonattainment, to be compliant with the standard. The MDEQ has yet to receive an official redesignation letter from the U.S. EPA. The last nine counties remain in nonattainment for the ozone standard because the summer monitoring data exceedences have prevented their redesignation to attainment. Of these nine, Allegan county's non-attainment status is primarily based on ozone transport from the Illinois/Indiana areas. Mr. Armbruster stated that the MDEQ is working with the surrounding states on ways to reduce the ozone transport, and that the U.S. EPA is supposed to do a study on the ozone transport problem in this county. In response to the CAP's question on whether attainment in these areas is based on changes in behavior, Mr. Armbruster confirmed that this is part of the reason attainment has been reached in these areas. Mr. Armbruster also stated that the changes from the one hour standard to the eight hour standard (and the lowering of the concentrations) have also been a reason why there have been exceedences in the non-attainment areas.

#### AQD Budget

Mr. Armbruster started out by stating that there have been significant emission reductions over the years and that has resulted in less revenue (i.e. fees) to support the division. Mr. Armbruster reminded the CAP that the air emission fees are up for renewal (they expire on September 30, 2007). The AQD fee renewal legislation is part of an eight part legislative fee package for various programs within the MDEQ. Mr. Armbruster stated that the AQD fee renewal has increased somewhat, but has been limited to the cost of living increase, and there has not been an expansion in the number of companies who would pay the fee. The new fees for 95% of companies comes to about a 13% increase over what they paid a year ago. Mr. Warner inquired as to the percentage of the overall department that is supported by restricted fees, and Mr. Armbruster stated that the MDEQ has been moving more and more to funding its programs with restricted fees. The AQD fees amount to about \$16.5 million in fee increases with approximately \$12.1 million supporting the AQD's Title V program and another \$4.4.million supporting the AQD's New Source Review program (which will now also provide support to major source companies in the state).

#### Other

Dennis Armbruster reported to the CAP that he will be retiring from state government service at the end of May.

**Michigan Environmental Compliance Assistance and P<sup>2</sup> Program Budget Update – Marcia Horan**

Given the dwindling resources in the Environmental Science and Services Division's (ESSD) budget, Ms. Horan reminded the CAP that ESSD compliance assistance staff depend heavily on the technical knowledge and expertise of regulatory division staff in order to develop and provide the type of quality compliance assistance guides and consultations with external customers that have been the hallmark of the MDEQ.

Some new methods that ESSD is looking at in providing quality service to its customers include grants to motivate companies to use the web to register for voluntary programs and services so that they can do their own self-compliance reporting (such as the dry cleaning Michigan Environmental Results Project). With some of ESSD's voluntary programs, they cannot get enough company interest (such as the P<sup>2</sup> Small Business Loan program). Ms. Horan indicated that it has been hard to get banking institutions to participate, and the program has done about 30 loans so far. Mr. Cargill suggested providing those participating institutions with some promotional advertising, and that might motivate more banks to be a part of the loan program. Ms. Horan also cited the fact that companies tend to buy their equipment first before they think about possibly implementing P<sup>2</sup> at their companies. ESSD is trying to work more closely with state vendors to educate them about the loan program. Most loans have been for energy efficiency and conservation, and many dry cleaners and printers have utilized this loan program. This year, the small business P<sup>2</sup> loan program is working with park programs to provide local community assistance.

Ms. Horan also provided an overview of the programs in ESSD through a video presentation that discussed the authorizing legislation and funding mechanisms for the compliance, voluntary and P<sup>2</sup> programs. The CAP was informed that ESSD has tried to be proactive in conserving money over the flush years from its Waste Reduction fees only to have the Michigan Department of Management and Budget take the excess monies and apply them to other areas of the state budget during the recent lean years. To make up for the shortfall, ESSD received a one-time \$3 million dollar supplemental transfer from the principal of the Bottle Escheats Fund in order to sustain operations in FY 06-07; but there is not enough funding left to sustain staff and programs for FY 07-08.

Ms. Horan stated that at a legislative subcommittee hearing recently that the Michigan Chamber of Commerce and Michigan Manufacturers Association testified that ESSD was a duplication of outreach efforts (i.e. training) that they already offer business and industry. The debatable issue on duplicative training is whether small businesses can afford to attend their the association-sponsored training versus a similar training session offered by the state. Ms. Horan also explained that unlike the state, these entities do not run any type of voluntary environmental programming which is needed to encourage businesses to conserve, reduce and comply.

Ms. Horan told the CAP about a stakeholder group that ESSD staff met with to discuss ways to raise revenue for ESSD's programs. Some stakeholders suggested putting a fee on the Toxic Release Inventory (TRI) reporting or the SARA Title II, Tier II reporting. The MDEQ looked at both of these options, and determined that they could possibly develop a fee system for the TRI. In proposing this option to the stakeholders, ESSD found that they were willing to pay more to support the division's outreach programs.

Brian Warner inquired whether there would be an increase in the tipping fee for solid waste. Amy Butler stated that there was a solid waste tipping fee being proposed in the legislature. Mr. Warner cautioned about the use of fees and the MDEQ's dependence on them. He thinks that the program in Ohio, which uses their fees to support economic development and environmental regulation, is the type of program Michigan should pattern itself after. Ms. Butler stated that the tipping fee legislation is to get the MDEQ through the next 3-4 years, and reminded the CAP that the combined departmental budgets of the MDEQ, MDA and MDNR are less than 1% of the overall state budget.

Amy Butler concluded with asking the CAP to articulate the need to continue to keep ESSD's compliance assistance and P<sup>2</sup> programs operational at their current levels. Ms. Butler asked the CAP to promote the importance and value that these programs bring to the business community and the general public. Mr. Cargill suggested that maybe the CAP could draft a letter of support for ESSD's programs, toting some of the accomplishments in quantifiable terms.

A motion to draft a letter of support from the CAP on behalf of ESSD's compliance assistance and P<sup>2</sup> programs was proposed by Sue Pemberton, and seconded by Brian Warner. The proposal was unanimously approved. Donna Davis indicated she will draft the letter, allow review of a draft by CAP members, have them approve the draft, and then have Mr. Cargill sign the letter on behalf of the entire CAP. The letter will go to the committee chairs and sub chairs of both legislative appropriations committees and the respective environmental subcommittees.

Action Item: Draft letter of support for ESSD's compliance assistance and P<sup>2</sup> programs on behalf of the CAP within the next couple of weeks.

### **Presentation on the Clean Corporate Citizen (C3) Program – Kelie Bond**

Because of time constraints, this agenda item was tabled until the next CAP meeting.

Action Item: Send CAP links to C3 web page for more information on the program.

### **Presentation on the Michigan Business Pollution Prevention Partnership (MBP3) Program – Jeff Spencer**

Because of time constraints, this agenda item was tabled until the next CAP meeting.

Action Item: Send CAP links to MBP3 web page for more information on the program.

### **ECOS Update– Dave Fiedler**

Dave Fiedler has been working with the Illinois and Wisconsin Small Business Assistance Programs in drafting a letter from the Executive Director of the Environmental Council of States (ECOS) to the U.S. EPA Administrator and Chair of the National Compliance Advisory Panel (NCAP). The letter states that the state environmental regulatory programs would like to begin

discussion with the U.S./ EPA on the expansion of existing small business air assistance programs to multimedia. The Comprehensive Small Business Environmental Assistance Legislative Initiative developed by the NCAP would be the starting point of that discussion. The state environmental commissioners/directors that belong to the ECOS Cross-Media Committee will be discussing this draft letter at their Spring Meeting on March 19-21, 2007. Director Steve Chester is taking the lead on this issue. It anticipated that this letter will be approved by the Committee. The U.S. EPA does value and respond to recommendations made by ECOS.

In addition to the ECOS letter, some states like Texas are sending letters from their environmental commissioners to their congressional delegation recommending they support the multimedia movement which includes federal funding and legislation. Dave Fiedler received approval from the MDEQ's Executive Division to draft a letter from Director Chester to U.S. Representative John Dingell asking for his support.

Action Item: Draft a letter of support from Director Chester to U.S. Representative John Dingell.

### **National CAP Update – Brian Warner**

Mr. Warner announce that the next National CAP meeting is in June and will take place in Minnesota, along with the national small business program conference. He also believes that there is still a scholarship available for any CAP member that wants to attend this meeting and conference.

Mr. Warner stated that there were two state legislative bills proposed that will affect the small business program and its outreach: SB 157 and HB 4119. SB 157 makes changes to the small business program to define the three components as more of a multimedia environmental program (versus an air quality program only). Mr. Warner asked the CAP for comments on the senate legislation. He stated one of the reasons this bill exists is because it will provide the small businesses with greater flexibility against enforcement if they comply with current and future comprehensive industry-specific guidance documents developed by the small business program. Marcia Horan stated that HB 4119 is mute legislation because it calls for the development of a fruit and vegetable guide which is already been developed by ESSD.

Barry Cargill inquired about the funding mechanism to help develop future industry-specific guides, and whether ESSD has sought this avenue out. Dave Fiedler indicated that some associations are having a hard time finding funding for their own activities so that does not look like a feasible option. Mr. Cargill also wondered if there was any way to tie the economic development priorities of the state to the environmental requirements. Marcia Horan responded that in current industry-specific guides, such as the one for the fruit and vegetable industry, the MDEQ tried to do that by offering best management practices to the industry which are sanctioned by the MDEQ.

Mr. Cargill encouraged the small business program to develop guides that also took into account the differences between state and local environmental requirements.

### **EAP's Activities Update –Dave Fiedler**

#### **Marketing Initiative to Create a Single Multimedia Environmental Assistance Program**

Dave Fiedler recently received notification from August Mack Environmental, Inc of Livonia, MI, that they had registered the service mark for "ECAP" in Michigan. The consulting firm uses the acronym for their electronic compliance assurance program. ECAP was the name that the two compliance assistance components of ESSD were planning on using to promote their program, work products and services. As a result, the proposed new name of the ESSD's compliance assistance services will be the "Michigan Environmental Compliance Assistance Program" or MECAP. Dave has submitted an application to the Michigan Department of Labor and Economic Growth's Corporation and Securities for state registration of the MECAP service mark. The name change will not be official until the application is approved.

Jim Ostrowski just completed a series of Michigan Air Emissions Reporting System (MAERS) workshops. A total of 216 people attended the computer lab training where they received hands-on assistance and 82 people attended a MAERS refresher course. Over half the people attending the training were first time workshop participants.

Future workshop events include a Michigan Agri-Energy Conference on March 13-14 in Lansing, the 2007 Michigan Sustainable Business Forum Statewide conference on April 25 in East Lansing, and multiple Toxic Chemical Release (TRI) Inventory workshops in May. Mr. Fiedler invited the CAP members to attend any of these workshops. Marcia Horan also invited the CAP member to a climate change workshop offered on March 15-16. There is no charge to attend this event.

### **Michigan Clean Air Ombudsman Update – Susan Holben**

No report was given.

### **Other Issues and Public Comment – Barry Cargill**

Brian Warner asked if the MDEQ kept an emissions inventory of greenhouse gases. Dennis Armbruster stated that the department does not do this, however Michigan is working with other states to draft an agreement to create an inventory system. Mr. Armbruster stated that the driving force for creation of an inventory was that companies wanted to document their emissions reductions now in case there are stricter controls put in place in the future.

**Next CAP Meeting is scheduled for Tuesday, June 5, 2007 at Constitution Hall, Lansing, Michigan.**